

Week Gone

- ⇒ Indices extended their losing run to second trading session on Friday, 5 March 2021. The Nifty closed below the crucial 15,000 mark. The S&P BSE Sensex, tumbled 440.76 points or 0.87% at 50,405.32. The Nifty 50 index slumped 142.65 points or 0.95% at 14,938.10.
- ⇒ Maruti Suzuki India total sales jumped 11.8% to 1,64,469 units in February 2021 over February 2020.
- ⇒ Infosys announced that it would be bringing 500 jobs to Calgary over the next three years, doubling its Canadian workforce to 4,000 employees by 2023.

Week Ahead

- ⇒ US will announce inflation rate for February on 10 March 2021.
- ⇒ Overseas, China will announce inflation rate for February on 10 March 2021.

Technical Overview

Index closed with a gain of 2.81% at 14938. Index opened this week with wide gap up and remained volatile most of the week witnessing couple of gap up to gap down opening in this week. However, index close the week with decent gains after declining from last 2 weeks. Going ahead index has strong resistance placed around 15450-15500 zone, while immediate hurdles comes around 15050-15200-15330. On the lower side the strong support comes around 14400-14500 zone, while intermediate support is seen around 14850-14730-14650.



Source: Falcon, BP Equities Research



Weekly Wealth

DOMESTIC INDICES

Index	05-Mar-21	26-Feb-21	Weekly % Chg
Nifty	14,938	14,529	2.8
Nifty Next 50	35,258	34,226	3.0
Nifty 100	15,084	14,668	2.8
Nifty 500	12,539	12,181	2.9
Nifty Midcap 100	24,078	23,269	3.5
Sensex	50,405	49,100	2.7
BSE 100 Index	15,142	14,724	2.8
BSE 200 Index	6,400	6,215	3.0
BSE 500 Index	19,950	19,371	3.0
BSE Mid-Cap	20,588	19,979	3.0
BSE Small Cap	20,936	20,155	3.9

NIFTY TOP GAINERS (WEEKLY)

Scrip	05-Mar-21	26-Feb-21	Weekly % Chg
Grasim Industries	1,339.4	1,200.8	11.5
Ultratech Cement	6,810.3	6,115.0	11.4
Adani Ports &Special	749.0	675.9	10.8
Zee Entertainment	218.1	201.0	8.5
Kotak Mahindra Bank	1,922.5	1,780.4	8.0

NIFTY TOP LOSERS (WEEKLY)

Scrip	05-Mar-21	26-Feb-21	Weekly % Chg
Bharti Airtel	532.8	556.3	-4.2
Indusind Bank	1,039.9	1,063.0	-2.2
SBI	383.7	390.2	-1.7
Coal India	151.1	152.2	-0.7
Hindalco	337.9	340.3	-0.7

WORLD INDICES

Index	05-Mar-21	26-Feb-21	Weekly % Chg
Nikkei Index	28,864	28,966	-0.4
Hang Seng Index	29,098	28,980	0.4
Kospi Index	3,026	3,013	0.4
Shanghai SE Composite	3,502	3,509	-0.2
Strait Times Index	3,014	2,949	2.2
Dow Jones	30,924	31,402	-1.5
NASDAQ	12,723	13,119	-3.0
FTSE	6,674	6,540	2.0

FOREX

Currency	05-Mar-21	26-Feb-21	Weekly % Chg
US\$ (Rs.)	73.1	73.9	-1.0
GBP (Rs.)	101.0	103.0	-2.0
Euro (Rs.)	87.2	89.6	-2.6
Yen (Rs.) 100 Units	67.0	70.0	-4.3

FII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
05-Mar-21	9,383.2	11,397.3	-2,014.2
04-Mar-21	11,734.0	11,957.1	-223.1
03-Mar-21	10,945.0	8,856.3	2,088.7
02-Mar-21	8,978.7	6,755.6	2,223.2
01-Mar-21	6,674.5	6,549.4	125.2
<u>MTD</u>	47,715.4	45,515.6	2,199.7

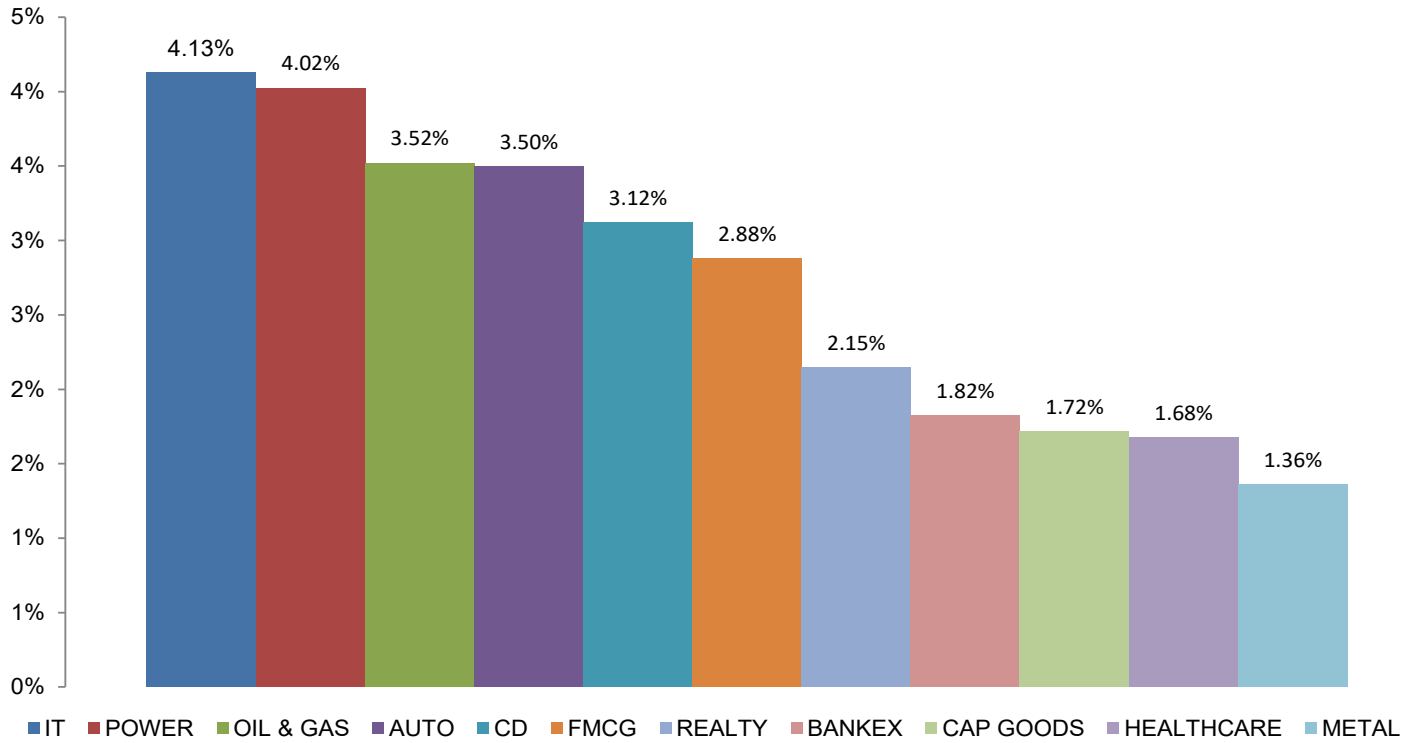
DII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
05-Mar-21	3,633.1	4,824.3	-1,191.2
04-Mar-21	4,342.9	5,131.1	-788.2
03-Mar-21	5,414.4	5,021.5	392.9
02-Mar-21	4,315.3	5,169.4	-854.0
01-Mar-21	4,262.5	4,457.3	-194.9
<u>MTD</u>	21,968.1	24,603.5	-2,635.4

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	05-Mar-21	26-Feb-21	Weekly % Chg	05-Mar-21	26-Feb-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
CUB	173.7	166	4.6	10679500	331700	3119.6
MPHASIS	1639.55	1665.35	-1.5	183300	9100	1914.3
LTTS	2634.1	2553.25	3.2	208200	13800	1408.7
PIIND	2262.65	2182.6	3.7	309500	27000	1046.3
ALKEM	2797.2	2740.4	2.1	158800	16000	892.5

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	05-Mar-21	26-Feb-21	Weekly % Chg	05-Mar-21	26-Feb-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
M&M	843.8	811.05	4.0	7781200	9581600	-18.8
DABUR	526.45	505.2	4.2	8303750	10185000	-18.5
BERGEPAIN	731.45	684.1	6.9	3183400	3902800	-18.4
MARUTI	7259.15	6902.1	5.2	2621400	3209300	-18.3
ESCORTS	1319.85	1313.05	0.5	2333100	2845150	-18.0

Company Background

Bharti Airtel Limited is a global telecommunications company with operations in 16 countries across Asia and Africa. Its divisions include Mobile Services, Telemedia Services, Digital TV Services, Airtel Business and Tower Infrastructure Services. In India, the Company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high-speed home broadband, DTH and enterprise services, including national and international long-distance services to carriers. While in the rest of the world, it offers 2G, 3G and 4G wireless services and mobile commerce. Moreover, its subsidiary, Bharti Infratel Ltd, provides tower and related infrastructure.

Investment Rationale

Established position in domestic telecom industry

BAL has a healthy subscriber base and revenue market share, with a pan-India network. Sequentially, in Q4FY20, Revenue market share (excluding national and international long distance) was about 33% for the quarter. As per Telecom Regulatory Authority of India (TRAI), the wireless subscriber base was 31.7 crore (i.e. market share of 27.7%) as on May'20. In Q1FY21, Company saw a further improvement of 4G subscribers at 13.8cr i.e. growth 45.3% YoY. Going ahead, large spectrum spread across 900 megahertz (MHz), 1,800 MHz, 2,100 MHz and 2,300 MHz bands enables to create a strong position, offering 2G, 3G and 4G data services across India. Therefore, robust brand and immediate services have helped to create an edge among its competitive peers.

Robust geographical presence with diversified revenue stream

The company offers a variety of telecommunication services, including mobile services, wireline services, enterprise connectivity solutions, domestic and international long-distance services, digital television services, m-commerce, passive infrastructure services, etc. Therefore, this enables them to derive the benefits of economies of scale, cross-selling opportunities, and cost synergies. On the other hand, company operates majorly across geographies i.e. Asia and Africa. Moreover, it has a diversified presence across geographies and business verticals with operations spread across 16 countries. It added 4.05 million wireless subscribers in Dec'20 to take its base to 338.70 million, making it one of the largest global telecommunications operators.

Valuation and Outlook

Bharti Airtel is a leading global telecommunications company with operations in 16 countries across Asia and Africa. Going ahead, its high subscriber base continues to offer competitive edge over peers. Its customer addition, improving ARPU and solid position in digital and DTH business will facilitate overall growth. On valuation front, we valued the company based on SOTP method and recommend **BUY** rating on this stock with a price target of INR 643 (21% upside from CMP) with a 12 months investment horizon.

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

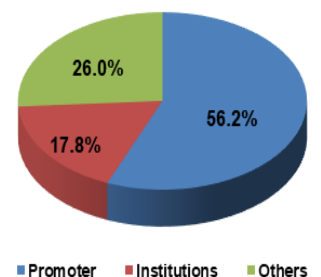
Stock

CMP (INR)	533
Target Price (INR)	643
NSE Symbol	BHARTIARTL
BSE Code	532454
Bloomberg	BHARTI IN
Reuters	BRTI.BO
Key Data	
Nifty	14,938
52WeekH/L(INR)	623/381
O/s Shares (Mn)	5455
Market Cap (INR bn)	2906
Face Value (INR)	5

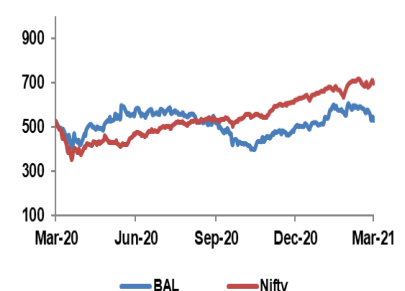
Average volume

3 months	2,39,76,930
6 months	2,54,33,270
1 year	2,30,93,380

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials

YE March (INR Mn)	FY18	FY19	FY20	FY21E	FY22E
Revenue	8,26,388	8,07,802	8,75,390	9,90,066	11,12,834
<i>Revenue Growth (Y-o-Y)</i>	<i>(13.4%)</i>	<i>(2.2%)</i>	<i>8.4%</i>	<i>13.1%</i>	<i>12.4%</i>
EBIDTA	3,00,368	2,41,544	3,64,823	4,54,440	5,58,643
<i>EBIDTA Growth (Y-o-Y)</i>	<i>(14.7%)</i>	<i>(19.6%)</i>	<i>51.0%</i>	<i>24.6%</i>	<i>22.9%</i>
Net Profit	10,990	4,095	-3,21,832	15,841	23,370
<i>Net Profit Growth (Y-o-Y)</i>	<i>(71.1%)</i>	<i>(62.7%)</i>	<i>(7959.1%)</i>	<i>(104.9%)</i>	<i>47.5%</i>
Diluted EPS	2.0	0.8	(59.0)	2.9	4.3
<i>Diluted EPS Growth (Y-o-Y)</i>	<i>(71.1%)</i>	<i>(62.7%)</i>	<i>(7959.1%)</i>	<i>(104.9%)</i>	<i>47.5%</i>

Key Ratios

EBIDTA margin (%)	36.3%	29.9%	41.7%	45.9%	50.2%
NPM (%)	1.3%	0.5%	-36.8%	1.6%	2.1%
RoE (%)	1.6%	0.6%	-41.7%	2.0%	3.0%
RoCE (%)	16.6%	12.6%	18.7%	21.0%	27.8%

Valuation Ratios

P/E (x)	265.6x	712.8x	-9.1x	184.3x	124.9x
EV/EBITDA	13.2x	16.7x	10.8x	8.6x	6.9x
P/BV (x)	4.2x	4.1x	3.8x	3.8x	3.7x
Market Cap. / Sales (x)	3.5x	3.6x	3.3x	2.9x	2.6x

Source: Company, BP Equities Research



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